

DRAFT

**QUONSET DEVELOPMENT CORPORATION
MEETING OF BOARD OF DIRECTORS**

March 17, 2015

PUBLIC SESSION MINUTES

A meeting of the Board of Directors of the Quonset Development Corporation (the “Corporation”) was held at 5:00 p.m. on Tuesday, March 17, 2015, at the offices of the Corporation located at 95 Cripe Street, North Kingstown, Rhode Island, pursuant to notice to all members of the Board of Directors and a public notice of the meeting as required by the Bylaws of the Corporation and applicable Rhode Island Law.

The following members constituting a quorum were present and participated throughout the meeting as indicated: Guy Asadorian, Jr., James Berson, Robert H. Breslin, Jr., Elizabeth Dolan, John A. Dorsey, John G. Laramée, Gregory A. Mancini, Kerry P. McKay, Anthony F. Miccolis, Jr., Stefan Pryor, and James Rugh. Also present were: Steven J. King, P.E., Managing Director; E. Jerome Batty, Secretary; and Corporation’s staff and members of the public.

1. CALL TO ORDER:

The meeting was called to order at 5:03 p.m. by Chairman Stefan Pryor.

2. APPROVAL OF MINUTES:

Upon motion duly made by Mr. Breslin and seconded by Mr. Rugh, the Board:

VOTED: To approve the Public Session Minutes of the January 20, 2015 meeting, as presented.

Voting in favor were: Guy Asadorian, Jr., James Berson, Robert H. Breslin, Jr., Elizabeth Dolan, John A. Dorsey, John G. Laramee, Kerry P. McKay and James Rugh.

Voting Against were: None.

Unanimously Approved.

Mr. Miccolis joined the meeting at 5:15 pm.

3. STAFF REPORTS:

Mr. King shared with the Board, that he attended a ceremony held at Electric Boat on Saturday, March 7th for the keel laying of the

SNN-788; the 15th submarine of 28 to be built at Quonset. Mr. King stated there will be a backlog of work at Quonset building these submarines translating into the furtherance of high paying jobs at Quonset.

Mr. King reviewed the staff report provided in the Board package with the Directors.

Mr. King reminded the Board that the Corporation had a water main break on New Year's Eve that occurred outside the park. Mr. King stated that an 80' pine tree existed at the site of the break which complicated stopping the leak. Due to the issues associated with this water break; the Corporation has become aware of the need to inspect the entire water line for other obstructions to avoid future issues. Mr. King stated that the Corporation's water line originates at wells 9A and 14A along Post Road in East Greenwich and continues along Post Road into North Kingstown; the line then splits at Essex Road and Newcomb Road. Mr. King stated letters would be sent to notify 60 or more residents along the water line of this inspection and possible removal of brush and improvements.

4. COMMITTEE REPORTS:

There were no meetings of the Quonset Development Corporation committees.

5. APPROVALS:

A. Adoption of a Written Policy Relating to Naming Real Property and Improvements under the Authority of the Quonset Development Corporation:

Mr. King reviewed with the Board the proposed “Naming Policy” with respect to naming real property and improvements. The Board discussed the process of receiving a naming request and suggested that all requests should be referred directly to the managing director and staff for evaluation and then brought to the Board for approval.

Mr. King also assured the Board, that a background check will be completed on all nominees prior to coming before the Board for approval.

Upon motion duly made by Ms. Dolan and seconded by Mr. Miccolis, the Board:

VOTED: That the Naming Policy as proposed be amended to state that upon receipt by a director of a naming request, the director shall refer the request to the Managing Director for a due diligence review and determination by the Managing Director as to whether or not such request will be placed upon the Board Agenda.

Voting in favor were: Guy Asadorian, Jr., James Berson, Robert H.

Breslin, Jr., Elizabeth Dolan, John A. Dorsey, John G. Laramée, Kerry P. McKay, Anthony F. Miccolis, Jr., and James Rugh.

Voting Against were: None.

Unanimously Approved.

Mr. Miccolis asked for clarification on the term “facility” under the policy; Mr. King confirmed that facility could include any road, building, or structure in the Quonset Business Park.

Upon motion duly made by Mr. Rugh and seconded by Mr. Miccolis, the Board:

VOTED: That the Corporation approve and adopt a policy relating to naming real property and improvements under the authority of the Corporation in the form attached hereto as Exhibit A.

Voting in favor were: Guy Asadorian, Jr., James Berson, Robert H. Breslin, Jr., Elizabeth Dolan, John A. Dorsey, John G. Laramée, Kerry P. McKay, Anthony F. Miccolis, Jr., and James Rugh.

Voting Against were: None.

Unanimously Approved.

B. Approval of a Memorandum of Agreement and Lease with the Town of North Kingstown:

Mr. King stated the Corporation proposes to lease, for a 50 year term at \$1.00 per year, 22 acres of designated open space to the Town of North Kingstown, for the purpose of recreational fields. The property located in the northwest corner of Davisville Road has been identified as open space under the 1970's Conservation Law Foundation agreement. The estimated cost of the project will be approximately \$800,000.00, for which the Town has been awarded a Recreation Grant through the DEM. The Grant will cover approximately half the cost of the project and the remainder of the cost will be split by the Town and the Corporation. The Corporation will design and engineer the recreation facilities and submit periodically invoices related to the project to the Town. The Town will promptly disburse to the Corporation 75% of the costs; should the Town fail to fund its share of the construction costs in a timely manner, the Corporation may advance such funds and offset such amounts against payments under the Payment in Lieu of Taxes ("PILOT") agreement. Mr. King stated that the North Kingstown Town Council has voted on and agreed to the project.

Mr. King acknowledged that the proposed area has been determined to have ground water contamination, but there is no impact to recreational use of the property. Mr. King stated that the Corporation is waiting on Army Corp of Engineers ("ACOE") Human Health Risk

Assessment of the property. A report had previously been issued on the property but the outside party who made the report did not anticipate the recreational use of the property and therefore the ACOE must amend their original report.

Mr. Pryor suggested that the vote should be contingent on the ACOE Human Health Risk Assessment.

Upon motion duly made by Mr. Miccolis and seconded by Mr. McKay, the Board:

VOTED: That the draft Resolution presented to the Board be amended to add at the end of the first Vote the following: “and the use of the athletic fields will be contingent upon a favorable outcome of the Army Corps of Engineers Human Health Risk Assessment”.

Voting in favor were: Guy Asadorian, Jr., James Berson, Robert H. Breslin, Jr., Elizabeth Dolan, John A. Dorsey, John G. Laramée, Kerry P. McKay, Anthony F. Miccolis, Jr., and James Rugh.

Voting Against were: None.

Unanimously Approved.

Upon motion duly made by Mr. Breslin and second by Mr. Miccolis, the Board:

VOTED: The Corporation acting by and through its Chair, Vice-chair, Managing Director or Finance Director, each of them acting alone (the “Authorized Officers”) is hereby authorized to enter into, execute and deliver (a) Memorandum of Agreement with the Town of North Kingstown regarding the design, engineering and construction of athletic fields and other matters related thereto and (b) a Lease of property at Quonset Business Park with the Town of North Kingstown, and other agreements related thereto, such Agreement and Lease to be substantially in accordance with the Request for Board Authorization presented to the Board (the Agreement, Lease and related documents are referred to herein collectively as the “Agreements”), and the use of the athletic fields will be contingent upon a favorable outcome of the Army Corps of Engineers Human Health Risk Assessment.

VOTED: That each of the Authorized Officers, acting singularly and alone, be and each of them hereby is authorized, empowered and directed to effectuate the intent of the foregoing resolutions by executing, delivering and performing any and all modifications, renewals, confirmations and variations of the Agreements or as any of the Authorized Officers acting singularly and alone shall deem necessary, desirable and without further specific action by this Board, and empowered and directed to prepare or cause to be prepared and to execute, perform and deliver in the name and on behalf of the Corporation the Agreements and/or all related and

ancillary agreements and documents in connection with the terms and conditions to be effectuated by the Agreements, including any and all agreements, contracts, certificates, licenses, assignments, and memorandums upon such terms and conditions and with such changes, additions, deletions, supplements and amendments thereto as the Authorized Officer executing or authorizing the use of the same and shall determine to be necessary, desirable and appropriate and in the best interest of the Corporation.

VOTED: That in connection with any and/or all of the above resolutions, the taking of any action, the executed and delivery of any instrument, document or agreement by any of the Authorized Officers in connection with the implementation of any or all of the foregoing resolutions shall be conclusive of such Authorized Officer's determination that the same was necessary, desirable and appropriate and in the best interest of the Corporation.

Voting in favor were: Guy Asadorian, Jr., Robert H. Breslin, Jr., Elizabeth Dolan, John A. Dorsey, John G. Laramee, Kerry P. McKay, Anthony F. Miccolis, Jr., and James Rugh.

Voting Against were: None.

Abstaining were: James Berson

Unanimously Approved.

Mr. Mancini joined the meeting at 6:00 p.m.

C. Approval of Lease Option and Lease Agreement with J. Goodison Company:

Mr. King introduced Mr. Jack Goodison to the Board, noting J. Goodison Company is a current business and property owner in the Quonset Business Park since 2010. Mr. King explained that J. Goodison Company operates a marine services and ship repair business and is interested in expanding their company by investing in waterfront property at Quonset.

Mr. Goodison introduced Mr. Walter Valencia who provided the Board with a presentation and overview of the J. Goodison Company. Mr. Valencia explained that the company started in 1999 with one employee and now employees 25 full-time employees and 20-50 subcontractors annually. Additionally, Mr. Valencia noted that J. Goodison has grown to a \$12.5 million dollar a year business but, the company's growth has been limited because all their dry-docking work is subcontracted to other businesses out of state. Mr. Valencia stated by adding a facility at Quonset, J. Goodison could unleash its potential and become a premier marine service company. Mr. Valencia stated that expanding J. Goodison's marine business will immediately add 15 new good paying full-time blue collars jobs and could potentially hire another 30-50 employees. The Company plans

to invest over \$7 million dollars in the proposed waterfront property to include a \$3.5 million dollar boat lift. Mr. Valencia pointed out some additional benefits including keeping millions of dollars in revenue in Rhode Island instead of outsourcing to other states, expanded tax base, and spillover benefits to the surrounding community in the form of added demand for services, materials, and supplies.

Mr. King thanked Mr. Valencia for the presentation and reviewed the details of the lease, pointing out that the term had yet been set but will be at least 20 years given the amount of money that J. Goodison is investing. Mr. King explained that the lease includes two pieces of property; the first piece consists of 1.92 acres along the waterfront of the new bulkhead and the second piece consists 4.16 acres across Zarbo Avenue, behind the waterfront land and includes a 7,381 square foot building. Mr. King explained due to current construction at the bulkhead, the Corporation is unable to move directly into a lease agreement with J. Goodison Company. The Corporation is offering an option to J. Goodison giving them access to the property immediately so they may get their permitting and financing in place. Mr. King stated the lease option will run 6 months with full access provided no later than December 2015. Mr. King stated the option payment will be \$1,000 per month and rent under the lease will be \$199,162 per year to include escalations every 5 years. Mr. King stated the property is leased by Rhode Island Airport Corporation ("RIAC") from the R.I. Department of Transportation and RIAC will

need to approve the agreement prior to executing the option/lease. Mr. King added that the property is not eligible for employment incentives because it is RIAC property.

Mr. Mancini asked if it was appropriate to incorporate job commitments in the lease. Mr. King stated holding the company to a specific number of jobs would be unfair given unforeseen changes in economy. Mr. King also pointed out that the Corporation's employment incentive policy is performance driven and not based on number of employees.

Upon motion duly made by Mr. Laramée and seconded by Mr. Berson, the Board:

VOTED: The Corporation acting by and through its Chair, Vice-chair, Managing Director or Finance Director, each of them acting alone (the "Authorized Officers") is hereby authorized to enter into, execute and deliver (a) Lease Option and (b) a Sublease of property at Quonset Business Park with J. Goodison Company, and other agreements related thereto such Lease Option and Sublease to be substantially in accordance with the Request for Board Authorization presented to the Board (the Lease Option, Sublease and related documents are referred to herein collectively as the "Agreements").

VOTED: That each of the Authorized Officers, acting singularly and alone, be and each of them hereby is authorized, empowered and

directed to effectuate the intent of the foregoing resolutions by executing, delivering and performing any and all modifications, renewals, confirmations and variations of the Agreements or as any of the Authorized Officers acting singularly and alone shall deem necessary, desirable and without further specific action by this Board, and empowered and directed to prepare or cause to be prepared and to execute, perform and deliver in the name and on behalf of the Corporation the Agreements and/or all related and ancillary agreements and documents in connection with the terms and conditions to be effectuated by the Agreements, including any and all agreements, contracts, certificates, licenses, assignments, and memorandums upon such terms and conditions and with such changes, additions, deletions, supplements and amendments thereto as the Authorized Officer executing or authorizing the use of the same and shall determine to be necessary, desirable and appropriate and in the best interest of the Corporation.

VOTED: That in connection with any and/or all of the above resolutions, the taking of any action, the executed and delivery of any instrument, document or agreement by any of the Authorized Officers in connection with the implementation of any or all of the foregoing resolutions shall be conclusive of such Authorized Officer's determination that the same was necessary, desirable and appropriate and in the best interest of the Corporation.

Voting in favor were: Guy Asadorian, Jr., James Berson, Robert H.

Breslin, Jr., Elizabeth Dolan, John A. Dorsey, John G. Laramee, Gregory A. Mancini, Kerry P. McKay, Anthony F. Miccolis, Jr., and James Rugh.

Voting Against were: None.

Unanimously Approved.

6. ACKNOWLEDGMENT OF BOARD MEMBER'S SERVICE

Mr. King took a moment to acknowledge the dedication and hard work of several Board members with expiring terms to include; John G. Laramee, Elizabeth Dolan, James Berson and Robert H. Breslin Jr.

Mr. Rugh left prior to adjournment to Executive Session and did not participate in the remainder of the meeting.

7. MOTION TO ADJOURN TO EXECUTIVE SESSION:

Upon motion duly made by Mr. Berson and seconded by Mr. Dorsey, the Board:

VOTED: To adjourn to Executive Session pursuant to Subsection (2) - Sessions pertaining to collective bargaining or litigation, or work sessions pertaining to collective bargaining or litigation, (6) – (Location of Perspective Businesses in Rhode Island), and (7) – (A

matter related to the question of the investment of public funds where the premature disclosure would adversely affect the public interest) of the RIGL §42-46-5(a) (the “Open Meetings Law”).

Voting in favor were: Guy Asadorian, Jr., James Berson, Robert H. Breslin, Jr., Elizabeth Dolan, John A. Dorsey, John G. Laramee, Gregory A. Mancini, Kerry P. McKay, and Anthony F. Miccolis, Jr.

Voting Against were: None.

Unanimously Approved.

8. VOTE TO MAINTAIN MINUTES OF EXECUTIVE SESSION CLOSED:

Upon motion duly made by Mr. Berson and seconded by Mr. Miccolis, the Board:

VOTED: Pursuant to Section 42-46-4 and 42-46-5 of the General Laws, the minutes of the Executive Session shall not be made available to the public at the next regularly scheduled meeting of the Corporation because such disclosure may adversely impact ongoing negotiations.

Voting in favor were: Guy Asadorian, Jr., James Berson, Robert H. Breslin, Jr., Elizabeth Dolan, John A. Dorsey, John G. Laramee, Gregory A. Mancini, Kerry P. McKay, and Anthony F. Miccolis, Jr.

Voting Against were: None.

Unanimously Approved.

9. ADJOURNMENT:

Upon motion duly made by Mr. Berson and seconded by Mr. Laramee, the meeting adjourned at 6:40 p.m.

Respectfully submitted:

**By: _____ E. Jerome Batty,
Secretary**

Exhibit A

The Quonset Development Corporation (the “Corporation”) shall comply with the following policy with respect to naming real property and improvements (“Facility” or “Facilities”) that are under the authority of the Corporation, as agent and attorney in fact for the Rhode Island Commerce Corporation, pursuant to Rhode Island General Laws 42-64.10 et. seq., in honor of an individual, family, or group of individuals:

Upon receipt by a director of a naming request, the director shall refer the request to the Managing Director for a due diligence review and a determination by the Managing Director as to whether or not such request will be placed on the Board Agenda. The Corporation may, by an affirmative vote of at least seven (7) Directors of the Corporation, approve such request upon a finding that either:

(i) The individual, family or other group of individuals have or had a significant connection to the former Quonset Naval Air Station or the former Naval Construction Battalion Center Davisville; or

(ii) The individual, family or other group of individuals were instrumental in the re-development of the Quonset Business Park following the closure of the former Quonset Naval Air Station and the former Naval Construction Battalion Center Davisville; or

(iii) The individual, family or other group of individuals have demonstrated significant civic involvement in the Town of North Kingstown and serve as a lasting example of good citizenship and community involvement. In the case of this item (iii), the recommendation for so honoring an individual, family or group of individuals must originate as a request made pursuant to a resolution passed by the Town Council of the Town of North Kingstown and delivered to the Managing Director of the Corporation.